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**STANDING COMMITTEE ON
EXTERNAL AFFAIRS
(1996-97)**

ELEVENTH LOK SABHA

MINISTRY OF EXTERNAL AFFAIRS

DEMANDS FOR GRANTS (1997-98)

FOURTH REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1997/Chaitra, 1919 (Saka)

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N 6.436

FOURTH REPORT
STANDING COMMITTEE ON
EXTERNAL AFFAIRS
(1996-97)

(ELEVENTH LOK SABHA)

MINISTRY OF EXTERNAL AFFAIRS

DEMANDS FOR GRANTS (1997-98)

Presented to Lok Sabha on 22.4.1997

Laid in Rajya Sabha on 22.4.1997



LOK SABHA SECRETARIAT
NEW DELHI

April, 1997/Chaitra, 1919 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON
EXTERNAL AFFAIRS
(1996-97)

Shri Atal Bihari Vajpayee — *Chairman*

MEMBERS
Lok Sabha

2. Shri Manabendra Shah
3. Col. Rao Ram Singh
4. Dr. Ramesh Chand Tomar
5. Shri Chandresh Patel
6. Dr. Gunawant Sarode
7. Shri D.B. Roy
8. Shri Vijay Mude
9. Shri Faggan Singh Kuleste
10. Smt. Rajnee Patil
11. Shri P.V. Narasimha Rao
- *12. Shri Ajit Singh
13. Shri Bijoy K. Handique
14. Smt. Meira Kumar
15. Shri A.C. Jose
16. Begum Noorbano
17. Dr. Hari Singh
18. Shri Pinaki Misra
19. Shri Anchal Das
20. Shri Anil Kumar Yadav
21. Shri Rupchand Pal
22. Shri S. Ajaya Kumar

* Ceased to be a member of the Committee consequent upon his resignation from Lok Sabha *w.e.f.* 10 September, 1996 and renominated to the Committee *w.e.f.* 26.2.97.

23. Shri Rajesh Ranjan
24. Shri P.N. Siva
25. Shri Hindurao Naik Nimbalkar
26. Shri George Fernandes
27. Shri Pramothas Mukherjee
28. Shri Tilak Raj Singh
29. Shri G.G. Swell
30. Shri Arvind Kumar

Rajya Sabha

31. Smt. Margaret Alva
32. Smt. Chandresh Kumari
33. Smt. Vyjayantimala Bali
34. Shri V.N. Gadgil
35. Shri Bhuvnesh Chaturvedi
36. Shri Sikander Bakht
37. Shri Triloki Nath Chaturvedi
38. Prof. Vijay Kumar Malhotra
39. Smt. Kamla Sinha
40. Shri M.A. Baby
41. Dr. D. Masthan
- *42. Shri Wasim Ahmad

SECRETARIAT

1. Dr. Ashok Kumar Pandey — *Additional Secretary*
2. Shri V.N. Gaur — *Director*
3. Shri Ashok Sarin — *Deputy Secretary*
4. Shri R.K. Saxena — *Under Secretary*

INTRODUCTION

1. The Chairman, Standing Committee on External Affairs having been authorised by the Committee to submit the report on their behalf, present this Fourth Report on Demands for Grants of the Ministry of External Affairs for 1997-98.

2. The Standing Committee on External Affairs was constituted on 1st August, 1996. One of the functions of the Standing Committee as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider the Demands for Grants of the concerned Ministries/Departments and make a report on the same to the Houses. The Report shall not suggest anything of the nature of cut motions.

3. The Committee (1996-97) took evidence of the representatives of the Ministry of External Affairs on 1st April, 1997. The Committee wish to express their thanks to the officers of the Ministry of External Affairs for placing before the Committee the material and information which they desired in connection with the examination of the Demands for Grants of 1997-98 of the Ministry and for giving evidence before the Committee.

4. The Committee (1996-97) considered and adopted the report at their sitting held on 17 April, 1997. Minutes of the sittings of the Committee have been reproduced in Appendix I to the Report.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in consolidated form in Appendix II.

NEW DELHI;
April 17, 1997
Chaitra 27, 1919 (Saka)

ATAL BIHARI VAJPAYEE,
Chairman,
Standing Committee on External Affairs.

REPORT

The Demands for Grants of the Ministry of External Affairs were laid on the Table of Lok Sabha on 17th March, 1997. The budgetary provision for the Ministry of External Affairs is entirely non-plan. However, from RE 96-97, an amount of Rs. 3 crores has been kept under the head "Aid to Bhutan for the Tala Hydroelectric Project under the plan budget head. Demand No. 23 of the Ministry contains the figures of Revenue as well as Capital expenditure for 1997-98 which are as follows:

(In thousands of Rs.)

	Revenue	Capital	Total
Charged	2,00	—	2,00
Voted	1333,38,00	180,02,00	1513,40,00

2. The details of the actual Revenue and Capital expenditure for the year 1995-96, Budget Estimates and Revised Estimates for 1996-97 and Budget Estimates for 1997-98 of the Ministry are as under:

(In thousands of Rs.)

Sl. No.	Major Head	Items	1995-96	1996-97		1997-98
			Actual Non-plan	BE Non-plan	RE	BE Non-plan
1	2	3	4	5	6	7
1.	2052	Secretariat General		1,00	1,00	1,00
		Services Voted	68,15,88	68,38,00	69,76,00	70,24,00
2.	2061	External Affairs				
		00.101 Embassies and Missions	487,03,38	507,12,00	515,00,00	600,00,00
		Passport and Emigration	46,05,18	57,24,99	50,25,00	69,00,00
		Training	33,18	30,00	40,00	1,90,00
		Special Diplomatic Expenditure				
		Charged		1,00	1,00	1,00
		Voted	242,65,93	199,99,00	341,99,00	224,18,00

1	2	3	4	5	6	7
		International Conferences/ Meetings	2,19,25	1,00,00	1,95,00	4,00,00
		Entertainment Charges	12,53,09	13,00,00	12,00,00	13,00,00
		International Cooperation	23,30,13	26,00,85	26,75,00	27,15,00
		Other Expenditure	37,16,36	45,56,16	47,70,00	49,38,00
Total Major Head "2061"						
		Charged		1,00	1,00	1,00
		Voted	851,26,50	850,23,00	996,04,00	988,61,00
3.	2075	C. Miscellaneous General Services	—	1,00	1,00	1,00
4.	3052	D. Shipping	—	1,00	53,00	1,00
5.	3053	E. Civil Aviation	—	1,00	1,00	1,00
6.	3605	F. Technical and Economic Cooperation with other countries	203,63,74	293,42,00	229,52,00*	274,50,00
			(* includes Rs. 3,00,00 plan expenditure in respect of Aid to Bhutan)			
Total : Revenue Section						
		Charged	—	2,00	2,00	2,00
		Voted	1123,06,12	1212,06,00	1295,87,00	1333,38,00
Capital Section						
7.	4059	Capital outlay on Public works	36,09,13	42,00,00	42,00,00	75,00,00
8.	4216	Capital outlay on Housing	10,94,03	15,00,00	15,00,00	15,00,00
9.	7605	Advances to Foreign Governments	1,89	5,03,00	5,02,00	90,01,00

1	2	3	4	5	6	7
10.	7615	Miscellaneous Loans	—	1,00	1,00	1,00
Total : Capital Section			47,05,05	62,04,00	62,03,00	180,02,00
Grand Total :		Charged Voted	— 1170,11,17	2,00 1274,10,00	2,00 1357,90,00	2,00 1513,40,00

Overview

3. The BE 1997-98 of Rs. 1513.42 Crs. is Rs. 239.30 Crs. more than BE 1996-97 and Rs. 155.50 Crs. more than the RE 1996-97. The break-up of BE 97-98 is as under :

(Amount in Crores of Rupees)

Revenue	1333.40
Capital	180.02
	1513.42

The Revenue allocation includes Rs. 2.00 Lakhs as charged expenditure.

4. The expenditure on establishment represents 48.85% of the total budget of the Ministry. This is made up of expenditure on Missions/ Posts abroad (39.65%). Headquarters (4.64%) and Passport & Emigration (4.56%). The break-up on the rest of the expenditure is as follows :

Aid to Foreign Governments	18.14%
Special Diplomatic Expenditure	14.81%
Capital Section	11.89%
Other Activities (Grant-in-aid to various institutions including ICCR)	06.31%

Expenditure on Headquarters

5. The estimated expenditure on the Headquarters Organisation of the Ministry during the current financial year (1997-98) is expected to be Rs. 70.25 crores which is 5.27% of the total estimated revenue

expenditure of this Ministry. Out of this Rs. 16.98 crores will be on Salaries and Wages, Rs. 11.50 crores on Foreign Travel Expenses, Rs. 18.80 crores on Office Expenses, Rs. 11.00 crores on Advertisement and Publicity and Rs. 10.84 crores on Rents, Rates, Taxes.

Expenditure on Missions

6. The total estimated expenditure on Indian Embassies/Missions abroad is expected to be Rs. 600.00 crores during the current financial year which works out to 45% of the total estimated Revenue Expenditure of the Ministry. Out of this, an amount of Rs. 268.36 crores is for Salaries (including Foreign Allowance and representational grant), Overtime allowance and Wages, Rs. 61.78 crores for Travel Expenses (Transfer Passages/Home Leave Passages and Local Tours). Rs. 112.30 crores for Office Expenses and Rs. 15.01 crores for Advertising and Publicity and Rs. 142.56 crores for Rent, Rates and Taxes as well as for Repairs and Maintenance of Government owned/rented accommodation in Missions abroad.

7. The Demands for Grants (1997-98) were discussed by the Committee with the representatives of the Ministry of External Affairs and the results of the discussions held are given head-wise in the succeeding paragraphs.

8. The overall increase of Rs. 83.80 crores in the RE 96-97 over the BE 96-97 is primarily due to certain major enhancements in the budgetary provisions for Headquarters, (Rs. 1.38 crores), Missions & Posts abroad (Rs. 7.88 crores), Training (Rs. 0.10 crores), Special Diplomatic Expenditure (Rs. 142.00 crores), Other Expenditure (Rs. 2.14 crores), International Conference/Meeting (Rs. 0.95 crores), International Cooperation (Rs. 0.74 crores), Shipping (Rs. 0.52 crores). There is a decrease in the budgetary provisions for Passport & Emigration (Rs. 7.00 crores), Entertainment (Rs. 1.00 crores), Aid Programme for Foreign Governments (Rs. 63.90 crores), Loan to Foreign Governments (Rs. 0.01 crores).

Increase in RE 1996-97 over BE 1996-97

(Rs. in crores)

	BE 1996-97	RE 1996-97
Revenue Section	1212.08	1295.89
Capital Section	62.04	62.03
Total	1274.12	1357.92

9. The overall increase of Rs. 83.80 crores is primarily due to the following enhancements/decrease at RE stage :

(i) Increase in RE 96-97 over BE 96-97

(a) Headquarters budget	Rs. 1.38 crores
(b) Missions & Posts abroad	Rs. 7.88 crores
(c) Training	Rs. 0.10 crores
(d) Special Diplomatic Expenditure	Rs. 142.00 crores
(e) International Conferences/Meeting	Rs. 0.95 crores
(f) International Cooperation	Rs. 0.74 crores
(g) Other Expenditure	Rs. 2.14 crores
(h) Shipping-General Payment to SCI	Rs. 0.52 crores
Total	Rs. 155.71 crores

(ii) Decrease in RE 96-97 over BE 96-97

(a) Passport & Emigration	Rs. 7.00 crores
(b) Entertainment Charges	Rs. 1.00 crores
(c) Aid Prgrammes for Foreign Govts.	Rs. 63.90 crores
(d) Loan to Foreign Govts.	Rs. 0.01 crore
Total	Rs. 71.91 crores
Net increase (i) — (ii)	Rs. 83.80 crores

Increase in BE 97-98 over BE 96-97

10. Against the budget estimates (BE) 96-97 of Rs. 1274 crores, the Budget estimates for 97-98 is Rs. 1513.42 crores which means that there is increase to the tune of Rs. 239.30 crores. The break-up of Rs. 239.30 crores is as under :

	Variation (Rs. in crores)
(a) M.H. '2052' Secretariat-General Services	1.86
(b) M.H. '2061' External Affairs	138.38

		Variation (Rs. in crores)
(c)	M.H. '3605' Technical and Economic Cooperation	(-) 18.92
(d)	M.H. '4059' Capital outlay and Public Works and Housing	33.00
(e)	M.H. '7605' Advances to foreign Governments	84.98

11. It is seen from Demands for grants that under Major Head 2061-External Affairs, there is an increase of Rs. 92.88 crores under Embassies and Missions head. According to the Ministry, out of Rs. 92.88 crores, a sum of Rs. 35 crores has been earmarked for implementation of indexation proposal. The remaining increase is principally due to depreciation in the value of Indian rupee vis-a-vis US Dollar to the extent of 13.27% between September 95 and September 96. The value of Rupee vis-a-vis US Dollar was Rs. 31.65 and Rs. 35.85 during September 95 and September 96 respectively. At this rate, the amount towards depreciation of Indian rupee works out to Rs. 64.40 crores.

12. The revised estimates for 96-97 works out to Rs. 1357.92 crores against the BE for 96-97 of Rs. 1274.12 crores, thus reflecting an increase of Rs. 83.80 crores. The net increase of Rs. 83.80 crores would have been more if there had not been reduction to the tune of Rs. 63.90 crores in technical and economic cooperation with other countries at the RE stage. The Committee have been consistently expressing concern over continuous trend of excess expenditure. Though some of it is unavaoidable it should be ensured that excess expenditure for which the Parliament is later presented with a fait accompli is kept to the barest minimum. The Committee recommend that the Ministry should ensure a comprehensive and realistic planning at estimate stage so that the excesses over voted grants are avoided at the RE stage.

13. The Committee further note that the enhancement proposed for BE 97-98 over BE 96-97 is Rs. 239.30 crores. A break up of this increase, according to the Demands for Grants, indicate that Rs. 84.98 crores would account for advances to foreign government;

Rs. 33 crores would be for Capital outlay, public works and Housing; and Rs. 92.88 crores for Embassies and Missions Thus, the increase under these three heads account for Rs. 210.86 crores out of the total increase of Rs. 239.30 crores. However, the stepping up of Rs. 92.88 crores for Embassies and Missions could be considered as the main increase for the day to day activities of the Ministry of External Affairs. Even this enhancement of Rs. 92.88 crores would in fact be much less if the amount towards depreciation of Indian rupee which, according to the Ministry, works out to Rs. 64.40 crores, is taken into consideration. Thus, it can be concluded there is hardly any increase in the budget allocation in real terms of the Ministry of External Affairs. Obviously, the Ministry would find it difficult to carry out its normal activities with the limited increase in resources particularly in the vital areas of Advertising and Publicity, working and opening of the Missions/Posts abroad, ICCR etc. Although the funds requirement projected by the Ministry of External Affairs for the year 1997-98 was higher, it seems that they have not been successful in persuading the Ministry of Finance in securing adequate increase in budget proposals. The Committee regret to observe that the Ministry of Finance have failed to appreciate the requirement of the Ministry of External Affairs for more funds for vital areas of their activities in promoting India's foreign policy objectives. The Committee would, therefore, urge upon the Ministry of Finance to consider objectively the demands projected by the Ministry of External Affairs and provide the same at the RE stage. The Committee also desire that the Ministry of External Affairs should constantly endeavour to ensure that the available limited funds are prudently utilised keeping in view the foreign policy objectives.

Embassies and Missions

BE 1996-97	Rs. 507.12 crores
RE 1996-97	Rs. 515.00 crores
BE 1997-98	Rs. 600.00 crores

14. According to the Ministry, the enhancement in the BE 97-98 over BE 96-97 is mainly on account of possible introduction of the indexation proposal for determining, fixing and revising the foreign allowance. Of the total increase of Rs. 92.88 crores, a sum of Rs. 35 crores has been earmarked for implementation of indexation proposal. The remaining increase is principally due to

depreciation in the value of Indian rupee vis-a-vis US \$ which works out to Rs. 64.40 crores.

15. In reply to a question, the Ministry have informed that the existing Foreign Allowance structure is based on "1954 formula" which provides for compensation for cost of living based on expenditure on commodities which include food, clothing, servants, transport, miscellaneous, household requirements, laundry, electricity, water and fuel. The Foreign Allowance is revised by Foreign Service Inspectors (FSI). The FSIs collect the price data for all items mentioned above and revise the Foreign Allowance based on a prescribed formula.

16. The Ministry have further stated that though no specific time schedule has been laid down for the FSI inspections, Ministry attempts to maintain a regular frequency. However, due to increase in number of Missions/Posts (now 158), it has become increasingly difficult to inspect all the Missions on regular basis. To provide interim relief to Missions, if there is an exceptional increase in prices of commodities and services beyond 15%, as reflected in United Nations Cost of Living (UNCOL), published by the United Nations, ad hoc increases are given to the Missions. Financial implication of Indexation proposal is anticipated to be around Rs. 22 crores per annum.

17. It is seen from the Brief on the Demands for Grants furnished by the Ministry that after the finalisation of the allocations for BE 96-97, some Missions/Posts were opened for which only token provision had been earlier kept. These are Zagreb (Croatia), Gaza (PNA), Capetown (South Africa), Glasgow (U.K.), Sao Paulo (Brazil) and Port Moresby (PNG).

18. The Committee note that the existing Foreign Allowance structure is based on '1954 formula' which provides for compensation for cost of living based on expenditure on various commodities and, for revising this allowance, Foreign Service Inspectors' inspection report is taken into consideration. According to the Ministry, it is difficult for the inspectors to inspect all the Missions on regular basis as there are a number of Missions/Posts spread all over the world. The indexation proposal is therefore, under consideration for determining, fixing and revising the foreign allowance. The Ministry propose to adopt indexation system linked to the universally recognised norms of UN system of emoluments which would be uniformly applied to all the Missions/posts abroad. This proposal is likely to be cleared in the financial year 1997-98. The Committee

hope that with the adoption of this proposal the need for regular inspections by the inspectors as a condition for fixing the foreign allowances would not arise. Also, with the revision of allowance on the basis of UN system, the staff would not be unwilling to serve in Missions/Posts where the rate of allowance perhaps has not been attractive hitherto.

19. Determination of the rate of foreign allowance is one of the tasks undertaken by the Foreign Service Inspectors when they visit various Missions/Posts. The other main function is to assess the functioning of the Missions and pin-point the shortcomings and deficiencies. The Committee understand that only some important Missions are inspected on regular basis. The Committee desire that in view of the large number of Missions/Posts abroad, those may be grouped together region-wise and inspected periodically so that all the Missions/Posts are invariably inspected every 2-3 years. The deficiencies/shortcomings noticed in any Mission must be brought to the notice of all the missions. Suitable guidelines and directions may also be issued with a view to ensuring that the deficiencies noticed in one Mission do not recur elsewhere.

20. The Committee are informed that after the finalisation of the allocations for BE 96-97, some Missions/Posts were opened for which only token provision had been earlier kept. These are Zagreb (Croatia), Gaza (PNA), Capetown (South Africa), Glasgow (U.K.), Sao Paulo (Brazil) and Port Moresby (PNG). After taking into account Rs. 35 crores earmarked for implementation of indexation proposal and the remaining enhancement to cover depreciation of Indian rupee to the tune of Rs. 64.40 crores, there seems to be hardly any funds left in the provisions for BE 1997-98 for these newly opened Missions unless other normal activities are made to suffer due to lack of funds. Further it is not clear from where the necessary staff to man these missions would be provided when there has not been any increase in the number of staff with the Ministry which is static at 6480 from 1996 and would remain so till 1998. The Committee would like that adequate funds be provided for these Missions/Posts and they will be equipped with necessary staff so that they become operational without further delay.

21. During evidence, the Ministry have admitted that streamlining of the functioning of Missions and posts abroad is a priority area. However due to depreciation in the value of the Indian rupee vis-a-vis the major currencies there has not been a real increase in the allocation made for the Missions. However, with the limited resources

some Missions have upgraded their facilities through modern means of communications, such as computerisation, E-Mail, INTERNET and Home page etc. which help them to remain in touch with the Headquarters and has also been very useful to both Consular and commercial information. The matter needs to be vigorously pursued with the Ministry of Finance for allocation of adequate funds so that these facilities are provided in all the Missions/Posts without any further delay.

Advertising and Publicity (Secretariat)

BE 1996-97	Rs. 11.00 crores
RE 1996-97	Rs. 10.50 crores
BE 1997-98	Rs. 11.00 crores

Advertising and Publicity (Missions/Posts)

BE 1996-97	Rs. 11.73 crores
RE 1996-97	Rs. 12.24 crores
BE 1997-98	Rs. 15.00 crores

22. The Ministry expect that at the end of the current financial year 1996-97, the total expenditure on advertising and publicity at headquarters would be a little under Rs. 10 crores. The reasons for this reduced expenditure, as against the budgeted amount of Rs. 11 crores at BE 1996-97 are : First, a sum of approximately Rs. 1 crore had been budgeted to support preparation of supplement and other advertising in foreign newspapers and journals. However, after detailed discussions with other divisions by the Ministry as also well informed international media persons, this approach was reviewed and it was decided that such sporadic and one-shot efforts would not be effective in sustaining a positive impact in the target areas. Accordingly, this budgeted amount was reduced at the RE stage. Secondly, a sum of Rs. 30 lakhs was stated to have been saved from fax bill by E-mailing XP news bulletin to most of the Missions abroad.

23. The Ministry have informed that they had projected requirement of Rs. 16.00 crores for publicity activities for Secretariat and Rs. 16.41 crores for Embassies and Missions. However, only Rs. 11.00 crores for Secretariat and Rs. 15.00 crores at BE 1997-98 has been approved by the Ministry of Finance.

24. As regards the need for more funds, the financial Adviser in the Ministry stated during evidence that the Ministry could probably start with the funds that have been allotted and if more funds were required at the stage of Revised Estimates Ministry of Finance will be approached for additionality.

25. Explaining the activities undertaken recently/proposed to be taken with a view to giving more thrust to External Publicity, the Ministry have stated that MEA's home page on Internet was set up in May 1996 and is one of the most frequently visited sites on India. It contains a wealth of information on the country and is constantly updated with fresh inputs to sustain interest. In addition to countering negative publicity, the Ministry of External Affairs and its Missions as well as Posts abroad are working in unison to enlarge areas of positive perception about the country while attempting to build up a greater awareness and understanding of its policies and values. Audio-visual and print material is being used extensively for publicity purposes to reinforce the country's positive image and the media is regularly kept informed through the Office of the Spokesman (and by our Missions) about issues having a bearing on India's foreign policy and national security. Several new activities are envisaged this year on the external publicity front : a CD-ROM on India; seminal documentaries that will focus attention on India as a vibrant democracy, an emerging economic power, as well as a culturally rich nation; special publications that will celebrate India's 50th Anniversary of Independence, seminars, visits by foreign media personalities to India; photo exhibitions; film weeks and a host of other publicity related activities are envisaged. Most Missions have already upgraded their publicity apparatus and others are in the process of doing so.

26. When asked about the level of interaction by the Missions/ Posts with NRIs with a view to securing their help in countering hostile propaganda against India and in projecting India's foreign policy objectives abroad, the Foreign Secretary explained during evidence:—

“Yes, the number of NRIs have gone up in the world and they are effective people and they wish to contribute. I think that potential is there. We are trying to utilise it. We are trying to develop modalities and mechanismsWe can do more with the potential and that we should do more cannot be denied. We have to set up the modalities, we have to set up ways of reaching out to all those groups of NRIs.”

27. The Committee drew the attention of the Ministry to the fact that Government had engaged M/s Raffaelli, Spees, Springer and Smith for lobbying and promoting India's cause in the USA and desired to know-how far the firm has been successful in furthering our foreign policy objectives. In reply, the Ministry have stated that M/s Raffaelli, Spees, Springer and Smith were engaged by the Government as lobbyists and were working in this capacity till November 1996. At present, they are no longer working with the Embassy, since their contract ended on November 30, 1996. While they were our lobbyists, they assisted the Embassy in contacting important Members of the US Congress and of the Government and briefing them about India's point of view and interests and concerns on various key issuesGiven the framework, the performance of the firm, RSSS, was satisfactory, and they thus contributed to furthering our foreign policy objectives in the US.

28. Explaining further in this regard, the Foreign Secretary stated during evidence that :—

“The previous contract expired at the end of November. Since then the new Administration has come in Washington and the composition of the Congress has changed. The Republicans now control both the Senate and the Congress. We had employed a firm earlier. I should clarify that we have not dispensed with their services. We are in the process of renegotiating with them for the future. But this firm, which did good service for us, is effective and its contacts, in particular, are with the Democrats who no longer dominate the House. We are in need, in fact, of two additional sets of lobbyist firms that could help us with the Republicans and also those which would have better access to the Administration itself in number of areas where we feel our interests are involved. We are in the process of renegotiating contracts and we trust that this should be concluded rapidly.”

29. The Ministry have further informed that in connection with the 50th Anniversary celebration of India's independence which commence from August 15, 1997, they have projected a requirement of Rs. 20 crores to the Ministry of Finance which would be for use at headquarters as also at Missions/Posts. The Ministry would further approach the Ministry of Finance for an additionality in this regard.

30. During the examination of Demands for Grants last year, the Ministry had informed that constant assessment of the publicity activities had revealed that they could not use more funds effectively at the Headquarters but it was possible to use more funds fruitfully at the Missions level. Perhaps keeping this in view the allocation for advertising and publicity for Headquarters has been pegged by Ministry of Finance at same level (Rs. 11 crores) at BE 1997-98 as compared to BE 1996-97 whereas the funds for this purpose at Embassies & Missions have been increased to Rs. 15 crores in BE 1997-98 from Rs. 11.73 crores in BE 1996-97. It is however, not clear as to why the Ministry projected the requirement of almost the same amount of funds for headquarters and Embassies & Missions (Rs. 16 crores and Rs. 16.41 crores respectively) for BE 1997-98 particularly when they could not utilise fully the funds allocated for publicity at headquarters in 1996-97 whereas acute shortage of funds was felt for Missions/Posts abroad. The Committee feel that more funds should have been projected by the Ministry for Embassies and Missions as compared to that for Headquarters especially when the proposal submitted by some Missions for modernisation of equipment and communication system could not be implemented due to lack of funds and some lobbyist firms are going to be engaged shortly in USA to promote India's cause.

31. The Committee were informed earlier that the Mission had submitted proposals to step up their publicity activities which could give desired results if backed by adequate financial support. Some of the Missions were selected for allotment of additional funds. However, the Ministry of Finance was not able to allocate more funds and it was therefore, not found possible to expand or substantially strengthen our external publicity efforts. Now since some increase has been allowed by Ministry of Finance and they have also promised to consider the case for more funds at RE stage, some important Missions in priority areas should be selected for allotment of additional funds to augment their lobbying, advertising and public relation efforts. These efforts can be subsequently expanded in respect of other Missions after studying the impact created by more funds at the selected Missions.

32. As regards the need for closer and more purposeful interaction by our Missions with NRIs with a view to involving them actively in publicity efforts, the Foreign Secretary admitted during

evidence that they are effective people and the modalities and mechanisms are being developed to utilise their vast potential. The Committee expect the Ministry to devise ways and means at the earliest to enlist their support for the avowed objectives. The Committee would also like the Ministry/Missions to identify various news agencies and newspapers run by NRIs and friends of India and extend assistance to them by providing material and briefings and also the financial assistance as may be called for. This would supplement the publicity efforts carried out by our Embassies and Missions. The Committee would like to be apprised of the steps taken in this regard.

33. Some measures are stated to have been taken recently by the Ministry with a view to giving more thrust to external publicity. These include setting up of MEA's Home page on INTERNET, use of Audio-Visual and print material, a CD-ROM on India, organising of seminars, visits by foreign media personalities to India etc. Ever since the inception of this Standing Committee, attempts have been made to impress upon the Ministry the need for aggressive publicity activities which could project a positive image of India and could counter negative trends. The Ministry on their part have been assuring the Committee of the efforts initiated by them in this regard. The Committee are of the view that it is time that an independent survey be conducted by a high level interdisciplinary team in some selected important countries that may meet NRIs, NGOs etc. to evaluate the impact created by the publicity activities of the Ministry/Missions undertaken so far and to pin-point deficiencies/shortcomings in the efforts with a view to taking further remedial measures.

34. The Committee are informed that in connection with the 50th anniversary celebrations of India's independence which commence from 15th August, 1997, Rs. 20 crores are likely to be made available to Ministry of External Affairs for use at Headquarters as also at Missions/Posts. The Committee understand that a suitable programme for the purpose is under consideration of the Ministry. The Committee desire that proposed programmes should highlight the achievements of independent India as well as the future plans and programmes. As sufficient funds are being provided for this purpose, the Ministry may use this opportunity to carefully chalk

out the programme that would supplement the usual publicity activities undertaken abroad especially in smaller and developing countries.

B. 2 Passport and Emigration :

BE 1996-97	Rs. 57.25 crores
RE 1996-97	Rs. 50.25 crores
BE 1997-98	Rs. 69.00 crores

35. The reduced requirement at the RE stage by almost 7 crores, according to the Ministry is on account of reduction in cost of printing of Visa Stickers. The enhanced proposal for BE 1997-98 is primarily due to the following proposals :—

- (i) Rs. 12.50 crores is for the comprehensive computerisation of Passport Offices, including setting up of a Central Processing Cell at Delhi to be linked by satellite to each Passport Office, establishing an all India data-base, which would facilitate accurate and quick index checking;
- (ii) Expenditure of Rs. 6.20 crores is for the setting up and running of new Passport Offices at Ghaziabad, Pune, Thane and Visakhapatnam;
- (iii) Expenditure of Rs. 22 lakhs is on the setting up of collection Centres in six North-Eastern States *i.e.* Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura and at Madurai, Surat, Gurgaon, Vijayawada and Darbhanga.

36. When the issue of passport facilities was examined by the Committee in 1994-95, it was indicated to them that the applicant was to be issued passports within the maximum time limit of 4 weeks. In this connection the Ministry have stated that after the requisition for police Report is despatched, the understanding with the Ministry of Home Affairs is that if no response is received in 3 weeks, the Ministry of External Affairs is free to grant a passport. Normally, it takes 3 to 4 days after receipt of the application for the report to be despatched. A margin of another one week beyond 3 weeks is kept to enable reports, which may have come on the last day of the 3 week period, to get linked to the files. Therefore, effectively an application should be ready for grant in about four and half weeks. Hence, the norms for efficient issue of passport at the moment is taken as 5 weeks. However,

it is seen from the figures provided by the Ministry that Passport Offices are not issuing passports within 5 weeks. 11 out of 23 Passport Offices are taking about 6 weeks to issue the Passport whereas the time taken by the remaining 12 Passport offices is about 8 weeks.

37. The statistics furnished by the Ministry reveal that the total pendency has increased in Ahmedabad, Guwahati, Hyderabad, Jaipur, Lucknow, Madras, Nagpur, Patna, Trichy, Trivandrum and Jammu Passport Offices in 1996 as compared to that in 1994.

38. At the instance of the Committee, Ministry have stated that the following steps have been taken to ensure that the Passports are delivered to applicants within stipulated time :—

- (i) Thorough scrutiny of applications at the earlier stage, so that deficiencies in the application form can be removed, within the first 4 weeks ;
- (ii) Provision of extra casual workers for limited periods when there is a sudden spurt in applications received in a particular passport office; and
- (iii) Weekly monitoring of output of passport offices by the Chief Passport Officer through receipt of weekly reports of receipts, fresh passport issues and pendency.

39. The Ministry have further informed that the following procedural changes have been brought about to reduce the complaints and grievances of the applicants :—

- (i) The life of a passport is to be for 20 years or 10 years.
- (ii) Automatic re-issue without police verification after expiry.
- (iii) Decision to open new passport offices and Collection Centres.
- (iv) Expansion of the list of officers authorised to issue Verification Certificates.
- (v) Monitoring Cell set up in CPO headquarters for speedy redressal of complaints with two telephones and two fax machines, operative during working hours, and supervised by a Public Relations Officer, directly under the charge of the CPO.

- (vi) Acceptance of photocopied passport application forms. This decision has been taken in eliminate long queues which lead to harassment of applicants and their exploitation by touts and agents, and
- (vii) Setting up of Passport Advisory Committees.

40. The Committee note that there is increase of about Rs. 19 crores in the Budget Estimates 1997-98 for Passport and Emigration over the RE 1996-97 which would be used to meet the expenses for the comprehensive computerisation of Passport Offices, setting up and running of new Passport Offices at Ghaziabad, Pune, Thane and Visakhapatnam and for setting up of Collection Centres in six North-Eastern States, Madurai, Surat, Gurgaon, Vijayawada and Darbhanga. The Committee regret to observe that computerisation of Passport Offices which was first mooted in 1986 is yet to be fully achieved. Since computerisation would contribute to the efficiency and productivity of passport offices, the Ministry must ensure that all Passport Offices are computerised during 1997-98. The Committee also desire that necessary steps should immediately be taken to ensure that new passport offices and collection centres become operational at the earliest. While expressing satisfaction over opening of these Centres the Committee feel that Passport authorities would continue in their endeavour to open new centres taking into consideration the wide variation in the work-load of the existing Passport Offices and their geographical locations.

41. Earlier the maximum time limit for issue of a Passport as per the Ministry was 4 weeks. However, norms for efficient issue of Passport at the moment is taken as 5 weeks. The Committee, however, find that Passport offices are not issuing Passport even within 5 weeks. 11 out of 23 passport offices are taking about 6 weeks whereas the time taken by the remaining 12 passport offices is about 8 weeks. The delay in receipt of police verification reports and receipt of incomplete forms are the reasons usually attributed by the Passport authorities for not issuing of passports within stipulated time. The Committee feel that there is need for continuous close coordination at appropriate level with the Home Ministry/Police authorities to reduce the verification period. Further, the application form should be accepted only after thorough scrutiny at the time of submission of forms and in respect of applications received by post they ought to be despatched back to the applicants within a week if found

incomplete, specifying the inadequacies. The Committee also desire that the concerned passport officers in the Passport Offices should be made accountable for any delay in issue of passports beyond the revised stipulated norms of 5 weeks.

42. During evidence the Committee pointed out that for applicants of Mizoram and Nagaland, verification is first done by State police and again by the Union Home Ministry which leads to unnecessary and avoidable delay. The Committee desire that the issue may be taken up with the Home Ministry to ensure that the applicants are not subjected to double police check. The Committee would like to be apprised of the factual position and the corrective measures taken in this regard.

43. The Committee find that the total pendency has increased in Ahmedabad, Guwahati, Hyderabad, Jaipur, Lucknow, Madras, Nagpur, Patna, Trichy, Trivandrum and Jammu Passport Offices in 1996 as compared to that in 1994. The reasons for the increase in pendency in these passport offices need to be looked into with a view to taking suitable remedial measures.

44. It is found that the applicants also visit the passport offices in connection with some miscellaneous services such as renewal of passports, issue of duplicate passports in case of loss, change of address, etc. Often there are complaints that even these miscellaneous services are not promptly attended to and they have to make frequent visits to Passport offices for such purposes. The Committee desire that a counter/cell may be created in each Passport Office which may exclusively attend to the complaints, grievances, suggestions of the applicants and the applicants are invariably apprised of the status of their case so that when they come out of passport office there is a sense of satisfaction to them.

45. The Ministry have informed the Committee that various procedural changes (mentioned in Para 39 of this report) have been brought about by them to reduce the complaints and grievances of the applications. However, the reply of the Ministry is vague and does not clearly explain the details involved in the various steps initiated by them. For instance, it has been mentioned that the life of a Passport is to be for 20 years or 10 years. The Committee would like to be apprised whether there would be two types of passports having different life spans and the reasons therefor. As regards setting up of Passport Advisory Committees, the Committee would

like to be informed whether such Advisory Committees have been set up and if so what are their compositions and functions and whether local MPs/MLAs are also associated with such Committees.

46. The Committee understand that in Passport offices some times touts operate with the possible collusion of issuing/verification authorities. The Committee, therefore, recommend that every effort should be made to identify such linkages and nexus with the unscrupulous elements who subvert the procedure and exploit the people. This may be done with the help of the Ministry of Home Affairs and the local police. Stringent action may be taken against the staff members who are found in collusion with these touts.

ICCR

Actual 95-96	Rs. 25.00 crores
BE 96-97	Rs. 25.00 crores
RE 96-97	Rs. 25.00 crores
BE 97-98	Rs. 25.00 crores

47. The Ministry have informed that despite the fact that activities of ICCR are expanding and new cultural centres are proposed to be opened, the Ministry of Finance did not agree to provide the enhanced budget. Thus, keeping in view the usual inflationary trend and depreciation of Indian rupee *vis-a-vis* other major currencies, there is reduction in the funds allocated to ICCR in actual terms.

48. The Committee are informed that the requirement of the ICCR had been projected at Rs. 29 crores for RE 1996-97 and at Rs. 37 crores for BE 1997-98. However, the actual grant at BE 1997-98 has remained at the same level as BE 1996-97 at Rs. 25 crores. In actual terms this amounts to a reduction of funds because of the increase in cost of operations on account of the normal inflationary trends. There will be need for augmentation of BE allocations to sustain the activities of the Council at the existing level as also to undertake some new priority activities of the Council. A new cultural centre in Trinidad & Tobago was made operational in December, 1996. The Governing Body and the General Assembly of the Council have also approved in principle the opening of new cultural centres in Sri Lanka and in USA. For these new proposals ICCR will need additional funds, if it were to implement these proposals without having to drastically scale down its other activities.

49. As regards the need for more cultural centres abroad, the DG, ICCR stated during the evidence :—

“We do not have cultural centres in South Asia; and it would be a very major priority to start such centres at least in one or two countries. We also do not have a cultural centre in USA and Japan. While we need not mechanically keep on opening cultural centres, at least in countries which are of political, security or economic importance to India, I think, we would need a higher profile. But our ability to open these centres depends obviously on more funds.”

50. The Committee note that the grant to ICCR has been static at the level of Rs. 25 crores from 1995-96 onwards. Considering the usual inflationary trend and depreciation of Indian rupee vis-a-vis other major currencies, there is reduction in allocation for ICCR in real terms. This is bound to hamper the normal activities of the Council and would further delay the Council's programme of opening of new cultural centres abroad. The Committee feel that Ministry of Finance ought to allocate funds in such a way that at least the grants every year cover the normal inflationary trends to sustain the activities of the Council. As regards the need for more funds for opening of new cultural centres abroad the Ministry of External Affairs seems to have failed to put forward their case properly and effectively before the Ministry of Finance and has not been able to secure additional allocation.

51. The Committee have been given to understand that ICCR propose to open cultural centres abroad in Sri Lanka, USA, Japan, South Asia etc. in near future. While it is necessary to have cultural centres in the countries which are politically and economically important to us, a particular country need to be selected carefully after considering all the relevant aspects as the funds available with the ICCR are scarce and are unlikely to be stepped up substantially in near future. For instance in USA, there are already many institutions which can be strengthened with much less resources which could effectively perform the role expected of the cultural centres with the involvement and support of NRIs. The Committee feel that the cultural centres should be opened in those countries only where it is considered absolutely necessary. The Ministry then can forcefully plead with the Ministry of Finance for additional funds

for the same. The Committee hope that this exercise would be completed soon and the Ministry of Finance would provide the additional funds for opening of new cultural centres abroad at the RE stage.

Major Head "3605"—Technical and Economic Cooperation

BE 1996-97	Rs. 293.42 crores
RE 1996-97	Rs. 229.52 crores
BE 1997-98	Rs. 274.50 crores

52. According to the Ministry this budget head represents India's multilateral and bilateral aid and assistance programmes. Explaining the variation in the provision under this head the Ministry have stated that the aid programmes are influenced by diplomatic and political considerations, as a result it is very difficult to anticipate all the requirements accurately at BE stage.

53. At the instance of the Committee the Ministry have explained that the criteria adopted for choosing countries for ITEC assistance are as follows :—

- (i) The assistance should serve our global political interests or at least be consistent with them;
- (ii) The assistance should promote our economic efforts globally and howsoever indirectly, should create conditions for export of Indian expertise, technology and manpower to other countries; and
- (iii) The assistance should create goodwill by projecting a favourable image of India abroad.

54. According to the Ministry, the 110 countries which are covered by the ITEC programme worldwide are all friendly, developing countries but do not include India's neighbours for whom a separate programme of assistance, known as the Technical Assistance Programme (TAP), is implemented. The TAP has strategic and security related concerns and also commercial concerns of greater dimension than the ITEC programme which is comparatively thinly spread. The total

allocation under ITEC in RE 1996-97 of Rs. 15 crores is less than 10% of the total aid extended by the Ministry of External Affairs under the Head "3605".

55. In reply to a query, the Ministry have explained that the ITEC programme has helped India in strengthening bilateral relations with a large number of developing countries and generated a fair amount of goodwill. In many small developing countries in Africa, Latin America, Central Asia and East Asia, the ITEC programme is often the only tangible instrument of diplomacy available to our Ambassador to negotiate with, a fact the significance of which should not be underestimated.

56. The Ministry have admitted that periodic review of the programme is not only appropriate but also essential. The last such review was carried out in 1993 by a three-member team comprising two retired Ambassadors and a serving High Commissioner. Some of the measures for improving the programme suggested in this review have been put in place and others are contemplated.

57. The Committee note that the funds earmarked for technical and economic cooperation with other countries are utilised for India's multilateral and bilateral Aid and Assistance Programmes. These Aid Programmes are stated to be influenced by diplomatic, economic and political considerations. There are two types of Programmes—ITEC covering 110 friendly developing countries excluding India's neighbours and Technical Assistance Programme (TAP) for India's neighbours. The total allocation under ITEC in 1996-97 is stated to be 15 crores which was less than 10% of the total funds covered under this Major Head. The Ministry have admitted that periodic reviews of these Programmes are not only appropriate but also essential. However, it is seen that the review was carried out only in respect of ITEC Programmes and that too was in 1993. The Committee are unable to understand why no review has been conducted so far in respect of TAP programme for neighbouring countries which account for about 90 percent of the grants earmarked for Technical and Economic Cooperation with other countries. The Committee feel that frequent review of these Aid Programmes should be carried out in order to evaluate how far these Aid Programmes have helped India in strengthening

mutual, bilateral relations with the recipient countries and for determining the need, desirability and quantum of the aid.

Aid to Myanmar

BE 1996-97	Rs. 25 crores
RE 1996-97	Rs. 10 crores
BE 1997-98	Rs. 20 crores

58. According to the Ministry the main provision under this head is for construction of border roads. Since the project had not taken off during 1996-97 to the extent envisaged earlier, a reduced provision was kept for the same. However, enhanced expenditure is expected during 1997-98 and hence a provision of Rs. 20 crores has been made for BE 1997-98.

59. The Ministry have stated that this project envisages a total expenditure of Rs. 91.68 crores over a period of 3 years and is made keeping with our national interest in perspective. This project would further India's national defence, improve border management and border trade. The technical specifications for this road will be the same as that of National Highway of intermediate width. The total length of the road would be 160.525 kms. It would be designed to accommodate a traffic density of 450 vehicles per day. The road would connect up the National Highway 39 from Imphal to Moreh with the road network in Myanmar.

60. For the purpose of upgradation/development of Tamu-Kalemio road a Memorandum of Understanding has been signed between India and Myanmar at Yangon Myanmar. Border Roads Development Board on the Indian side and Public Works, Ministry of Construction of Myanmar have been designated as implementing agencies for this MoU.

61. The Committee are informed that development of the Tamu-Kalemio road close to the Indo-Myanmar Border is one of steps being taken to develop a more cooperative relationship with Myanmar keeping our national interests in perspective. The construction of this road close to the Indo-Myanmar Border assumes importance in view of large scale of smuggling, drug trafficking and other nefarious activities taking place along the Border and also from the strategic situation of the region. The Committee would

like to be satisfied that this project would indeed further our national defence, improve Border management and Border trade.

Capital Section

Major Head "4059" and "4216" — Capital Outlay on Public Works and Housing

BE 1996-97	Rs. 57 crores
RE 1996-97	Rs. 57 crores
BE 1997-98	Rs. 90 crores

62. The Ministry of External Affairs in reply to a recommendation of the Standing Committee in the 6th Report had stated that they had drawn up a comprehensive plan following the recommendation of this Committee for purchase/construction of properties with a view to progressively reducing our escalating rental liability abroad. This plan was proposed to be implemented over a 10 year period beginning with the financial year 1995-96. However, in the absence of requisite substantial increase in the budgetary outlay, the Ministry of External Affairs was not in a position to implement the plan.

63. The Ministry of External Affairs had informed that for this purpose the Department of Expenditure had agreed to increase capital outlay budget of the Ministry from Rs. 57 crores under BE 1996-97 to Rs. 100 crores at RE 1996-97 stage. However, it is seen that no increase was provided by Ministry of Finance at RE 1996-97 stage.

64. For the financial year 1997-98, an expenditure of Rs. 150 crores was projected by the Ministry at BE 1997-98. Against this, only Rs. 90 crores have been sanctioned and this curtailed provision according to the Ministry is likely to be augmented at RE stage.

65. While furnishing the details of the proposed programme, the Ministry have stated that the purchase plan has prioritised those Missions/Posts where (i) rent liabilities are the highest, (ii) where the rental escalation rates over the years has been high and (iii) where for political reasons it is considered judicious and prudent to acquire properties. The Missions/Posts that have been prioritised in the property purchase/construction plan include those in Islamabad, Berlin, Abu Dhabi, Kathmandu, Beijing, Washington, New York, Geneva, Vancouver, Toronto, Berne, Bangkok, Chicago, Rome, Stockholm,

Port of Spain, Prague, Tel Aviv and Osaka. There is a provision in this for construction of buildings for being used by the other Ministries. This includes construction of the Foreign Service Institute, the staff quarters in Papankala and others including RPO premises. The plan is flexible to the extent that properties are to be purchased in cities depending on availability and market conditions. Those earmarked for later years could be purchased earlier if they otherwise meet with Ministry's prescribed norms and criteria for considering its purchase/construction viable.

66. In response to a recommendation of the Standing Committee made in their 6th Report, the Ministry had drawn up a comprehensive plan for purchase/construction of properties abroad with a view to progressively reduce escalating rental liability. The plan was proposed to be implemented over a 10 year period from 1995-96. No funds, however, were provided for this purpose in 1995-96. To begin implementation of the comprehensive plan, the Department of Expenditure had agreed to increase the capital outlay budget of the Ministry from 57 crores under BE 1996-97 to Rs. 100 crores at the RE stage. In spite of their assurance the Department of Expenditure did not enhance the allocation at RE 1996-97 stage. Even in 1997-98, against the projected demand of Rs. 150 crores, only Rs. 90 crores have been provided at BE 1997-98. The very purpose of drawing up such plans is defeated if necessary allocations are not made therefor and the plans are not completed on time. Needless to say that non-allocation of requisite funds result in avoidable cost and time overrun. The Committee take strong exception and deplore the attitude of the Department of Expenditure in not providing timely and adequate funds for the Comprehensive Plan. The Committee desire that the matter may be continuously pursued with Department of Expenditure so that the work is completed according to the planned time schedule.

NEW DELHI;
 April 17, 1997
 Chaitra 27, 1919 (Saka)

ATAL BIHARI VAJPAYEE,
 Chairman,
 Standing Committee on External Affairs.

APPENDIX I

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS HELD ON 1 APRIL, 1997

The Committee sat from 1100 hrs. to 1400 hrs.

PRESENT

Shri Atal Bihari Vajpayee — *Chairman*

MEMBERS

Lok Sabha

2. Col. Rao Ram Singh
3. Dr. Ramesh Chand Tomar
4. Dr. Gunawant Sarode
5. Shri D.B. Roy
6. Shri Vijay A. Mude
7. Shri Bijoy K. Handique
8. Shri A.C. Jose
9. Begum Noorbano
10. Dr. Hari Singh
11. Shri Pinaki Misra
12. Shri Anchal Das
13. Shri S. Ajaya Kumar
14. Shri P.N. Siva
15. Shri Hindurao Naik Nimbalkar
16. Shri George Fernandes
17. Shri Pramothesh Mukherjee
18. Shri G.G. Swell

Rajya Sabha

19. Smt. Margaret Alva
20. Smt. Chandresh Kumari
21. Smt. Vyjayantimala Bali

22. Shri V.N. Gadgil
23. Shri Bhuvnesh Chaturvedi
24. Shri Sikander Bakht
25. Shri Triloki Nath Chaturvedi
26. Prof. Vijay Kumar Malhotra

SECRETARIAT

1. Dr. Ashok Kumar Pandey — *Additional Secretary*
2. Shri V.N. Gaur — *Director*
3. Shri Ashok Sarin — *Deputy Secretary*
4. Shri R.K. Saxena — *Under Secretary*

Witnesses (Ministry of External Affairs)

1. Shri Salman Haidar — *Foreign Secretary*
2. Shri K. Raghunath — *Secretary (East)*
3. Shri A.N. Ram — *Secretary (ER)*
4. Shri Lalit Mansingh — *Secretary (West)*
5. Shri Kamalesh Sharma — *Addl. Secretary (IO&PP)*
6. Shri R.S. Kalha — *Addl. Secretary (AD&CPV)*
7. Shri B.N. Jha — *Addl. Secretary (FA)*

At the outset the Chairman welcomed the Members of the Committee and representatives of the Ministry of External Affairs to the Sitting of the Committee.

2. The Committee then discussed with the representatives of the Ministry of External Affairs the various points arising out of the Demands for Grants (1997-98) of the Ministry. The representatives of the Ministry of External Affairs explained and elaborated on the relevant queries from the Members.

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE
ON EXTERNAL AFFAIRS HELD ON 17 APRIL, 1997

The Committee sat from 1100 hrs. to 1330 hrs.

PRESENT

Shri Atal Bihari Vajpayee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Manabendra Shah
3. Col. Rao Ram Singh
4. Dr. Gunawant Sarode
5. Begum Noorbano
6. Shri S. Ajaya Kumar
7. Shri George Fernandes
8. Shri Tilak Raj Singh
9. Shri G.G. Swell

Rajya Sabha

10. Smt. Margaret Alva
11. Smt. Chandresh Kumari
12. Smt. Vyjayantimala Bali
13. Shri Bhuvnesh Chaturvedi
14. Shri Triloki Nath Chaturvedi
15. Prof. Vijay Kumar Malhotra
16. Smt. Kamala Sinha

SECRETARIAT

1. Dr. Ashok Kumar Pandey — *Additional Secretary*
2. Shri V.N. Gaur — *Director*
3. Shri Ashok Sarin — *Deputy Secretary*
4. Shri R.K. Saxena — *Under Secretary*

At the outset the Chairman informed the members about the sad demise of Shri Biju Patnaik, MP and Chairman, Standing Committee on Finance. He stated that Shri Biju Patnaik was a great freedom fighter and had shouldered many responsibilities in the State as well as in the Centre with great distinction. He was a free, frank and friendly person. The Chairman observed that Shri Patnaik has left a mark on Indian politics and the nation has been deprived of a distinguished statesman. The Committee then stood in silence for a shortwhile as a mark of respect to the departed soul.

The Committee then took up for consideration the draft Report on Demands for Grants of the Ministry of External Affairs for 1997-98. The Chairman invited Members to offer their comments on the draft Report. The members suggested certain modifications/amendments and desired that those be suitably incorporated into the body of the Report. The draft Report was then adopted.

The Committee then authorised the Chairman to finalise the Report for presentation to the House.

The Committee then adjourned.

APPENDIX II

Statement of Observations and Recommendations

Sl. No.	Para No.	Ministry	Observations/ Recommendations
1	2	3	4
1.	12	External Affairs	The revised estimates for 1996-97 works out to Rs. 1357.92 crores against the BE for 1996-97 of Rs. 1274.12 crores, thus reflecting a increase of Rs. 83.80 crores. The net increase of Rs. 83.80 crores would have been more if there had not been reduction to the tune of Rs. 63.90 crores in technical and economic cooperation with other countries at the RE stage. The Committee have been consistently express-ing concern over continuous trend of excess expenditure. Though some of it is unavoidable it should be ensured that excess expenditure for which the Parliament is later presented with a fait accompli is kept to the barest minimum. The Committee recommend that the Ministry should ensure a comprehensive and realistic planning at estimate stage so that the excesses over voted grants are avoided at the RE stage.
2.	13	External Affairs	The Committee further note that the enhancement propo-sed for BE 1997-98 over BE 1996-97 is Rs. 239.30 crores. A break up of this increase,

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according to the Demands for Grants, indicate that Rs. 84.98 crores would account for advances to foreign government; Rs. 33 crores would be for Capital outlay, public works and housing; and Rs. 92.88 crores for Embassies and Missions. Thus, the increase under these three heads account for Rs. 210.86 crores out of the total increase of Rs. 239.30 crores. However, the stepping up of Rs. 92.88 crores for Embassies and Missions could be considered as the main increase for the day to day activities of the Ministry of External Affairs. Even this enhancement of Rs. 92.88 crores would in fact be much less if the amount towards depreciation of Indian rupee which, according to the Ministry, works out to Rs. 64.40 crores, is taken into consideration. Thus, it can be concluded there is hardly any increase in the budget allocation in real terms of the Ministry of External Affairs. Obviously, the Ministry would find it difficult to carry out its normal activities with the limited increase in resources particularly in the vital areas of Advertising and Publicity, working and opening of the Missions/Posts abroad, ICCR etc. Although the funds requirement projected by the Ministry of External Affairs for the year 1997-98 was higher, it seems that they have not been successful in persuading the Ministry of

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Finance in securing adequate increase in budget proposals. The Committee regret to observe that the Ministry of Finance have failed to appreciate the requirement of the Ministry of External Affairs for more funds for vital areas of their activities in promoting India's foreign policy objectives. The Committee would, therefore, urge upon the Ministry of Finance to consider objectively the demands projected by the Ministry of External Affairs and provide the same at the RE stage. The Committee also desire that the Ministry of External Affairs should constantly endeavour to ensure that the available limited funds are prudently utilised keeping in view the foreign policy objectives.

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External Affairs

The Committee note that the existing Foreign Allowance structure is based on 1954 formula which provides for compensation for cost of living based on expenditure on various commodities and for revising this allowance. Foreign Service Inspectors' inspection report is taken into consideration. According to the Ministry, it is difficult for the inspectors to inspect all the Missions on regular basis as there are a number of Missions/ Posts spread all over the world. The indexation proposal is therefore, under consideration for determining, fixing and revising the foreign allowance. The Ministry propose to

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adopt indexation system linked to the universally recognised norms of UN system of emoluments which would be uniformly applied to all the Missions/posts abroad. This proposal is likely to be cleared in the financial year 1997-98. The Committee hope that with the adoption of this proposal the need for regular inspections by the inspectors as a condition for fixing the foreign allowance would not arise. Also, with the revision of allowance on the basis of UN system, the staff would not be unwilling to serve in Missions/Posts where the rate of allowance perhaps has not been attractive hitherto.

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External Affairs

Determination of the rate of foreign allowance is one of the tasks undertaken by the Foreign Service Inspectors when they visit various Missions/Posts. The other main function is to assess the functioning of the Missions and pin-point the shortcomings and deficiencies. The Committee understand that only some important Missions are inspected on regular basis. The Committee desire that in view of the large number of Missions/Posts abroad, those may be grouped together region-wise and inspected periodically so that all the Missions/Posts are invariably inspected every 2-3 years. The deficiencies/shortcomings noticed in any Mission

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		/	must be brought to the noticed of all the Missions. Suitable guidelines and direc-tions may also be issued with a view to ensuring that the deficiencies noticed in one Mission do not recur elsewhere.
5.	20	External Affairs	The Committee are informed that after the finalisation of the allocations for BE 96-97, some Missions/Posts were opened for which only token provision had been earlier kept. These are Zagreb (Croatia), Gaza (PNA), Capetown (South Africa), Glasgow (U.K.), Sao Paulo (Brazil) and Port Moresby (PNG). After taking into account Rs. 35 crores earmarked for implementation of indexation proposal and the remaining enhancement to cover depreciation of Indian rupee to the tune of Rs. 64.40 crores, there seems to be hardly any funds left in the provisions for BE 1997-98 for these newly opened Missi-ons unless other normal activities are made to suffer due to lack of funds. Further it is not clear from where the necessary staff to man these Missions would be provided when there has not been any increase in the number of staff with the Ministry which is static at 6480 from 1996 and would remain so till 1998. The Committee would like that adequate funds be provided for these Missions/posts and they will

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			be equipped with necessary staff so that they become operational without further delay.
6.	21	External Affairs	During evidence, the Ministry have admitted that streamlining of the functioning of Missions and posts abroad is a priority area. However due to depreciation in the value of the Indian rupee <i>vis-a-vis</i> the major currencies there has not been a real increase in the allocation made for the Missions. However, with the limited resources some Missions have upgraded their facilities through modern means of communications, such as computerisation, E-Mail, INTERNET and Home page etc. which help them to remain in touch with the Headquarters and has also been very useful to both Consular and Commercial information. The matter needs to be vigorously pursued with the Ministry of Finance for allocation of adequate funds so that these facilities are provided in all the Missions/Posts without any further delay.
7.	30	External Affairs	During the examination of Demands for Grants last year, the Ministry had informed that constant assessment of the publicity activities had revealed that they could not use more funds effectively at the Headquarters but it was possible to use more funds fruitfully at the Missions level. Perhaps

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keeping this in view the allocation for advertising and publicity for Head-quarters has been pegged by Ministry of Finance at same level (Rs. 11 crores) at BE 97-98 as compared to BE 96-97 whereas the funds for this purpose at Embassies and Missions have been increased to Rs. 15 crores in BE 97-98 from Rs. 11.73 crores in BE 96-97. It is however, not clear as to why the Ministry projected the requirement of almost the same amount of funds for Headquarters and Embassies and Missions (Rs. 16 crores and Rs. 16.41 crores respectively) for BE 97-98 particularly when they could not utilise fully the funds allocated for publicity at Headquarters in 1996-97 whereas acute shortage of funds was felt for Missions/Posts abroad. The Committee feel that more funds should have been projected by the Ministry for Embassies and Missions as compared to that for Headquarters especially when the proposal submitted by some Missions for modernisation of equipment and communication system could not be implemented due to lack of funds and some lobbyist firms are going to be engaged shortly in USA to promote India's cause.

8. 31 External Affairs The Committee were informed earlier that the Mission had submitted proposals to step up their

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publicity activities which could give desired results if backed by adequate financial support. Some of the Missions were selected for allotment of additional funds. However, the Ministry of Finance was not able to allocate more funds and it was therefore, not found possible to expand or substantially strengthen our external publicity efforts. Now since some increase has been allowed by Ministry of Finance and they have also promised to consider the case for more funds at RE stage, some important Missions in priority areas should be selected for allotment of additional funds to augment their lobbying, advertising and public relation efforts. These efforts can be subsequently expanded in respect of other Missions after studying the impact created by more funds at the selected Missions.

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External Affairs

As regards the need for closer and more purposeful interaction by our Missions with NRIs with a view to involving them actively in publicity efforts. The Foreign Secretary admitted during evidence that they are effective people and the modalities and mechanisms are being developed to utilise their vast potential. The Committee expect the Ministry to device ways and means at the earliest to enlist their support for the avowed objectives. The Committee would also like the

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			<p>Ministry/Missions to identify various news agencies and newspapers run by NRIs and friends of India and extend assistance to them by providing material and briefing and also the financial assistance as may be called for. This would supplement the publicity efforts carried out by our Embassies and Missions. The Committee would like to be apprised of the steps taken in this regard.</p>
10.	33	External Affairs	<p>Some measures are stated to have been taken recently by the Ministry with a view to giving more thrust to external publicity. These include setting up of MEA's Home page on INTERNET, use of Audio-Visual and print material, a CD-ROM on India, organising of seminars, visits by foreign media personalities to India etc. Ever since the inception of this Standing Committee, attempts have been made to impress upon the Ministry the need for aggressive publicity activities which could project a positive image of India and could counter negative trends. The Ministry on their part have been assuring the Committee of the efforts initiated by them in this regard. The Committee are of the view that it is time that an independent survey be conducted by a high level interdisciplinary team in some selected important countries that</p>

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			<p>may meet NRIs, NGOs etc. to evaluate the impact created by the publicity activities of the Ministry/ Missions undertaken so far and to pin-point deficiencies/shortcomings in the efforts with a view to taking further remedial measures.</p>
11.	34	External Affairs	<p>The Committee are informed that in connection with the 50th anniversary celebrations of India's independence which commence from 15th August, 1997, Rs. 20 crores are likely to be made available to Ministry of External Affairs for use at Headquarters as also at Missions/Posts. The Committee understand that a suitable programme for the purpose is under consideration of the Ministry. The Committee desire that proposed programmes should highlight the achievements of independent India as well as the future plans and programmes. As sufficient funds are being provided for this purpose, the Ministry may use this opportunity to care-fully chalk out the programme that would supplement the usual publicity activities undertaken abroad especially in smaller and developing countries.</p>
12.	40	External Affairs	<p>The Committee note that there is increase of about Rs. 19 crores in the Budget Estimates 1997-98 for Passport and Emigration over the RE 1996-97 which would be used</p>

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			<p>to meet the expenses for the comprehensive computerisation of Passport Offices, setting up and running of new Pass-port Offices at Ghazi-bad, Pune, Thane and Visakhapatnam and for setting up of Collection Centres in six north-eastern States, Madurai, Surat, Gurgaon, Vijayawada and Darbhanga. The Committee regret to observe that com-puterisation of Passport Offices which was first mooted in 1986 is yet to be fully achieved. Since computerisation would contribute to the efficiency and productivity of passport offices, the Ministry must ensure that all Passport Offices are compu-terised during 1997-98. The Committee also desire that necessary steps should immediately be taken to ensure that new passport offices and collection centres become operational at the earliest. While expressing satisfaction over opening of these centres the Committee feel that Passport authorities would continue in their endeavour to open new centres taking into consideration the wide variation in the work-load of the existing Passport Offices and their geographical locations.</p>
13.	41	External Affairs	<p>Earlier the maximum time limit for issue of a Passport as per the Ministry was 4 weeks. However, norms for efficient issue of Passport at the moment is taken as 5 weeks.</p>

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The Committee however find that Passport Offices are not issuing Passport even within 5 weeks. 11 out of 23 passport offices are taking about 6 weeks whereas the time taken by the remaining 12 passport offices is about 8 weeks. The delay in receipt of police verification reports and receipt of incomplete forms are the reasons usually attributed by the Passport authorities for not issuing of passports within stipulated time. The Committee feel that there is need for continuous close co-ordination at appropriate level with the Home Ministry/Police authorities to reduce the verification period. Further, the application form should be accepted only after thorough scrutiny at the time of submission of forms and in respect of application received by post they ought to be despatched back to the applicants within a week if found incomplete specifying the inadequacies. The Committee also desire that the concerned passport officers in the Passport Offices should be made accountable for any delay in issue of passports beyond the revised stipulated norms of 5 weeks.

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External Affairs

During evidence the Committee pointed out that for applicants of Mizoram and Nagaland, verification is first done by state police and again by the Union Home Ministry

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			<p>which leads to unnecessary and avoidable delay. The Committee desire that the issue may be taken up with the Home Ministry to ensure that the applicants are not subjected to double police check. The Committee would like to be apprised of the factual position and the corrective measures taken in this regard.</p>
15.	43	External Affairs	<p>The Committee find that the total pendency has increased in Ahmedabad, Guwahati, Hyderabad, Jaipur, Lucknow, Madras, Nagpur, Patna, Trichy, Trivandrum and Jammu Passport Offices in 1996 as compared to that in 1994. The reasons for the increase in pendency in these passport offices need to be looked into with a view to taking suitable remedial measures.</p>
16.	44	External Affairs	<p>It is found that the applicants also visit the passport Offices in connection with some miscellaneous services such as renewal of passports. Issue of duplicate passports in case of loss, change of address, etc. Often there are complaints that even these miscellaneous services are not promptly attended to and they have to make frequent visits to Passport offices for such purposes. The Committee desire that a counter/cell may be created in each Passport Office which may exclusively attend to the complaints, grievan-ces,</p>

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			<p>suggestions of the applicants and the applicants are invariably apprised of the status of their case so that when they come out of Passport office there is a sense of satisfaction to them.</p>
17.	45	External Affairs	<p>The Ministry have informed the Committee that various procedural changes (mentioned in Para 39 of this report) have been brought about by them to reduce the complaints and grievances of the applications. However, the reply of the Ministry is vague and does not clearly explain the details involved in the various steps initiated by them. For instance, it has been mentioned that the life of a Passport is to be for 20 years of 10 years. The Committee would like to be apprised whether there would be two types of Passports having different life spans and the reasons therefor. As regards setting up of Passport Advisory Committees, the Committee would like to be informed whether such Advisory Committees have been set up and if so what are their compositions and functions and whether local MPs/MLAs are also associated with such Committees.</p>
18.	46	External Affairs	<p>The Committee understand that in Passport offices some times touts operate with the possible collusion of issuing/verification authorities. The Committee, therefore, recommend that every effort should</p>

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be made to identify such linkages and nexus with the unscrupulous elements who subvert the procedure and exploit the people. This may be done with the help of the Ministry of Home Affairs and the local police. Stringent action may be taken against the staff members who are found in collusion with these touts.

19. 50 External Affairs The Committee note that the grant to ICCR has been static at the level of Rs. 25 crores from 1995-96 onwards. Considering the usual inflationary trend and depreciation of Indian rupee *vis-a-vis* other major currencies, there is reduction in allocation for ICCR in real terms. This is bound to hamper the normal activities of the Council and would further delay the Council's programme of opening of new cultural centres abroad. The Committee feel that Ministry of Finance ought to allocate funds in such a way that at least the grants every year cover the normal inflationary trends to sustain the activities of the Council. As regards the need for more funds for opening of new cultural centres abroad the Ministry of External Affairs seems to have failed to put forward their case properly and effectively before the Ministry of Finance and has not been able to secure additional allocation.

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20.	51	External Affairs	<p>The Committee have been given to understand that ICCR propose to open cultural centres abroad in Sri Lanka, USA, Japan, South Asia etc. in near future. While it is necessary to have cultural centres in the countries which are politically and economically important to us, a particular country need to be selected carefully after considering all the relevant aspects as the funds available with the ICCR are scarce and are unlikely to be stepped up substantially in near future. For instance in USA, there are already many institutions which can be strengthened with much less resources which could effectively perform the role expected of the cultural centres with the involvement and support of NRIs. The Committee feel that the cultural centres should be opened in those countries only where it is considered absolutely necessary. The Ministry then can forcefully plead with the Ministry of Finance for additional funds for the same. The Committee hope that this exercise would be completed soon and the Ministry of Finance would provide the additional funds for opening of new cultural centres abroad at the RE stage.</p>
21.	57	External Affairs	<p>The Committee note that the funds earmarked for technical and economic cooperation with other</p>

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countries are utilised for India's multilateral and bilateral Aid and Assistance Programmes. These Aid Programmes are stated to be influenced by diplomatic, economic and political considerations. There are two types of Programmes ITEC covering 110 friendly developing countries excluding India's neighbours and Technical Assistance programme (TAP) for India's neighbours. The total allocation under ITEC in 1996-97 is stated to be 15 crores which was less than 10% of the total funds covered under this Major head. The Ministry have admitted that periodic reviews of these Programmes are not only appropriate but also essential. However, it is seen that the review was carried out only in respect of ITEC Programme and that too was in 1993. The Committee are unable to understand why no review has been conducted so far in respect of TAP programme for neighbouring countries which account for about 90 per cent of the grants earmarked for Technical and Economic Cooperation with other countries. The Committee feel that frequent review of these Aid Programmes should be carried out in order to evaluate how far these Aid Programmes have helped India in strengthening mutual, bilateral relations with the recipient countries and for determining the need, desirability and quantum of the aid.

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22.	61	External Affairs	<p>The Committee are informed that development of the Tamu-Kalemoyo road close to the Indo-Myanmar Border is one of steps being taken to develop a more cooperative relationship with Myanmar keeping our national interests in perspective. The construction of this road close to the Indo-Myanmar Border assumes importance in view of large scale of smuggling, drug trafficking and other nefarious activities taking place along the Border and also from the strategic situation of the region. The Committee would like to be satisfied that this project would indeed further our national defence, improve Border management and Border trade.</p>
23.	66	External Affairs	<p>In response to a recommendation of the Standing Committee made in their 6th Report, the Ministry had drawn up a comprehensive plan for purchase/construction of properties abroad with a view to progressively reduce escalating rental liability. The plan was proposed to be implemented over a 10 year period from 1995-96. No funds, however, were provided for this purpose in 1995-96. To begin implementation of the comprehensive plan, the Department of Expenditure had agreed to increase the capital outlay budget of the Ministry from 57 crores under BE 96-97 to Rs. 100 crores at the RE</p>

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stage. In spite of their assurance the Department of Expenditure did not enhance the allocation at RE 96-97 stage. Even in 1997-98, against the projected demand of Rs. 150 crores, only Rs. 90 crores have been provided at BE 97-98. The very purpose of drawing up such plans is defeated if necessary allocations are not made therefor and the plans are not completed on time. Needless to say that non-allocation of requisite funds result in avoidable cost and time overrun. The Committee take strong exception and deplore the attitude of the Department of Expenditure is not providing timely and adequate funds for the Comprehensive Plan. The Committee desire that the matter may be continuously pursued with Department of Expenditure so that the work is completed according to the planned time schedule.
